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Information Required of Brokers and Dealers Pursuant to Section 17 of the Securities Exchange Act of 1934 and Rule 17a-5 Thereunder

REPORT FOR THE PERIOD BEGINNING January 1, 2016 AND ENDING December 31, 2016
MM/DD/YY MM/DD/YY

A. REGISTRANT IDENTIFICATION

NAME OF BROKER-DEALER: AE ARCA Capital Investments Inc

OFFICIAL USE ONLY

ADDRESS OF PRINCIPAL PLACE OF BUSINESS: (Do not use P.O. Box No.)

FIRM I.D. NO.

333 SE 2 AVENUE, SUITE 2530

(No. and Street)

MIAMIFLORIDA33131

(City)

(State)

(Zip Code)

NAME AND TELEPHONE NUMBER OF PERSON TO CONTACT IN REGARD TO THIS REPORT

VALERIE PIGATT

(305) 416-6300

(Area Code - Telephone Number)

B. ACCOUNTANT IDENTIFICATION

INDEPENDENT PUBLIC ACCOUNTANT whose opinion is contained in this Report*

KSDT & CO.

(Name - if individual, state last, first, middle name)

9300 S. DADELAND BLVD #600 MIAMIFLORIDA33156

(Address)

(City)

(State)

(Zip Code)

CHECK ONE:



Certified Public Accountant



Public Accountant



Accountant not resident in United States or any of its possessions.

FOR OFFICIAL USE ONLY

*Claims for exemption from the requirement that the annual report be covered by the opinion of an independent public accountant must be supported by a statement of facts and circumstances relied on as the basis for the exemption. See Section 240.17a-5(e)(2)

SEC 1410 (06-02)

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OATH OR AFFIRMATION

I, INDRA CAMPBELL, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of ARCA CAPITAL INVESTMENTS, INC., as of DECEMBER 31, 20 16, are true and correct. I further swear (or affirm) that neither the company nor any partner, proprietor, principal officer or director has any proprietary interest in any account classified solely as that of a customer, except as follows:

EMILIO ANTELO, ARCA INTERNATIONAL BANK, ARCA CAPITAL S.A.

STATE OF FLORIDA
COUNTY OF DADE

Indra Campbell (FL D)
Signature

PRESIDENT & CEO

ALEXANDER FRIEDMAN Title
NOTARY PUBLIC
STATE OF FLORIDA
Comm# FF084158
Expires 2/8/2018



This report ** contains (check all applicable boxes):

- ☒ (a) Facing Page.
- ☒ (b) Statement of Financial Condition.
- ☒ (c) Statement of Income (Loss).
- ☒ (d) Statement of Changes in Financial Condition. cash flows
- ☒ (e) Statement of Changes in Stockholders' Equity or Partners' or Sole Proprietors' Capital.
- n/a ☐ (f) Statement of Changes in Liabilities Subordinated to Claims of Creditors.
- ☒ (g) Computation of Net Capital.
- ☒ (h) Computation for Determination of Reserve Requirements Pursuant to Rule 15c3-3.
- ☒ (i) Information Relating to the Possession or Control Requirements Under Rule 15c3-3.
- ☒ (j) A Reconciliation, including appropriate explanation of the Computation of Net Capital Under Rule 15c3-1 and the Computation for Determination of the Reserve Requirements Under Exhibit A of Rule 15c3-3.
- n/a ☐ (k) A Reconciliation between the audited and unaudited Statements of Financial Condition with respect to methods of consolidation.
- ☒ (l) An Oath or Affirmation.
- ☒ (m) A copy of the SIPC Supplemental Report.
- n/a ☐ (n) A report describing any material inadequacies found to exist or found to have existed since the date of the previous audit.
- X (O) Review report of independent registered public accounting firm

**For conditions of confidential treatment of certain portions of this filing, see section 240.17a-5(e)(3).

ARCA CAPITAL INVESTMENTS, INC.

FINANCIAL STATEMENTS
AND

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

DECEMBER 31, 2016

ARCA CAPITAL INVESTMENTS, INC.

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DECEMBER 31, 2016

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KABAT · SCHERTZER
DE LA TORRE · TARABOULOS
— & —
C O M P A N Y

CERTIFIED PUBLIC ACCOUNTANTS & CONSULTANTS

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors and Stockholder
ARCA Capital Investments, Inc.
Miami, Florida

We have audited the accompanying statement of financial condition of ARCA Capital Investments, Inc. as of December 31, 2016, and the related statements of operations, changes in stockholder's equity, and cash flows for the year then ended. These financial statements are the responsibility of ARCA Capital Investments, Inc.'s management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of ARCA Capital Investments, Inc. as of December 31, 2016, and the results of its operations and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM
(continued)

The supplementary information contained in Schedules I, II and III has been subjected to audit procedures performed in conjunction with the audit of ARCA Capital Investments, Inc.'s financial statements. The supplemental information is the responsibility of ARCA Capital Investments, Inc.'s management. Our audit procedures included determining whether the supplemental information reconciles to the financial statements or the underlying accounting and other records, as applicable, and performing procedures to test the completeness and accuracy of the information presented in the supplemental information. In forming our opinion on the supplemental information, we evaluated whether the supplemental information, including its form and content, is presented in conformity with 17 C.F.R. § 240. 17a-5. In our opinion, the supplementary information contained in Schedules I, II and III is fairly stated, in all material respects, in relation to the financial statements as a whole.

KABAT, SCHERTZER, DE LA TORRE, TARABOULOS & Co.

Miami, Florida

February 2, 2017

ARCA CAPITAL INVESTMENTS, INC.

STATEMENT OF FINANCIAL CONDITION

December 31, 2016

ASSETS

Cash in banks	\$ 52,829
Deposits with clearing brokers	500,531
Due from clearing brokers	631,381
Property and equipment, net of accumulated depreciation of \$ 169,790	109,832
Note receivable from employee	75,000
Security deposits	94,320
Other assets	43,946
	<u>\$ 1,507,839</u>

LIABILITIES AND STOCKHOLDER'S EQUITY

Liabilities

Accounts payable	\$ 197,640
Accrued expenses	222,748
	<u>\$ 420,388</u>

Stockholder's equity

Common stock, \$1 par value, 1,000 shares authorized, 1,000 shares issued and outstanding	\$ 1,000
Additional paid-in capital	9,361,746
Accumulated deficit	<u>(8,275,295)</u>
	<u>\$ 1,087,451</u>
	<u>\$ 1,507,839</u>

The accompanying notes are an integral part of these financial statements.

ARCA CAPITAL INVESTMENTS, INC.

STATEMENT OF OPERATIONS

Year Ended December 31, 2016

Revenues

Trading income	\$ 1,976,962
Commissions	182,855
Interest and dividend income	26,072
Other miscellaneous income	243,982
	<hr/> 2,429,871

Expenses

Employee compensation and benefits	1,146,596
Commissions	704,104
Occupancy	251,091
Communications and market data	423,163
Professional fees	98,096
Travel and entertainment	37,825
Depreciation	49,877
Other operational expenses	331,546
	<hr/> 3,042,298

Net loss	<hr/> \$ (612,427)
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ARCA CAPITAL INVESTMENTS, INC.

STATEMENT OF CHANGES IN STOCKHOLDER'S EQUITY

Year Ended December 31, 2016

	Common Stock Shares	Common Stock Amount	Additional Paid-in Capital	Accumulated Deficit	Total
Balances, beginning of year	1,000	\$ 1,000	\$ 9,212,246	\$ (7,662,868)	\$ 1,550,378
Capital contribution from stockholder			149,500		149,500
Net loss				(612,427)	(612,427)
Balances, end of year	1,000	\$ 1,000	\$ 9,361,746	\$ (8,275,295)	\$ 1,087,451

The accompanying notes are an integral part of these financial statements.

ARCA CAPITAL INVESTMENTS, INC.

STATEMENT OF CASH FLOWS

Year Ended December 31, 2016

Cash flows from operating activities

Net loss	\$ (612,427)
Adjustments to reconcile net loss to net cash used in operating activities:	
Depreciation	49,877
Changes in operating assets and liabilities:	
Decrease in deposits with clearing brokers	499,914
Increase in due from clearing brokers	(90,513)
Decrease in other assets	9,346
Decrease in security deposits	25,000
Increase in accounts payable	5,768
Decrease in accrued expenses	(8,194)

Net cash used in operating activities	<u>(121,229)</u>
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Cash flows from financing activities

Capital contribution from stockholder	<u>149,500</u>
---------------------------------------	----------------

Net cash provided by financing activities	<u>149,500</u>
--	----------------

Cash flows from investing activities

Purchase of property and equipment	<u>(14,429)</u>
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Net cash used in investing activities	<u>(14,429)</u>
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Net increase in cash	13,842
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Cash in banks, beginning of year	<u>38,987</u>
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Cash in banks, end of year	<u>\$ 52,829</u>
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ARCA CAPITAL INVESTMENTS, INC.

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2016

1. Organization and Nature of Operations

ARCA Capital Investments, Inc. (the "Company") was formerly known as IBG Trading, Inc., but changed its name in 2010 to Bianco Financial, Inc. On January 17, 2013, the Company changed its name to ARCA Capital Investments, Inc.

The Company is a broker-dealer registered with the Securities and Exchange Commission and is a member of the Financial Industry Regulatory Authority (FINRA). The Company is an introducing broker, and as such clears all transactions on a fully disclosed basis through clearing firms and does not hold customer funds or customer securities.

2. Summary of Significant Accounting Policies

Basis of Presentation and Revenue Recognition

The accounting policies and reporting practices of the Company conform to the predominant practices in the broker-dealer industry and are in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP"). Proprietary and customer securities transactions and related revenue and expense are recorded on a trade date basis using the accrual method of accounting. All trading and investment securities, if any, are valued at quoted market price and unrealized gains or losses are included in revenues from firm trading.

Use of Estimates

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect certain reported amounts of assets and liabilities at the date of the financial statements, as well as their related disclosures. Such estimates and assumptions also affect the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Cash and Cash Equivalents

The Company considers short-term interest bearing investments with initial maturities of three months or less to be cash equivalents. Cash balances consist of cash held at two commercial banks.

Government and Other Regulation

The Company's business is subject to significant regulation by various governmental agencies and self-regulatory organizations. Such regulation includes, among other things, periodic examinations by these regulatory bodies to determine whether the Company is conducting and reporting its operations in accordance with the applicable requirements of these organizations.

As a registered broker dealer, the Company is subject to the SEC's net capital rule (Rule 15(c) 3-1) which requires that the Company maintain a minimum net capital, as defined.

ARCA CAPITAL INVESTMENTS, INC.

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2016

2. Summary of Significant Accounting Policies (continued)

Property and Equipment, net

Property and equipment is stated at cost less accumulated depreciation. Depreciation is computed using the straight-line method over the estimated useful lives of the assets which range from five to ten years. Repairs and maintenance are expensed as incurred while betterments and improvements are capitalized. When property and equipment are retired, sold, or otherwise disposed of, the asset's carrying amount and related accumulated depreciation are removed from the accounts and any gain or loss is included in operations.

Valuation of Investments in Securities at Fair Value – Definition and Hierarchy

In accordance with U.S.GAAP, fair value is defined as the price that would be received to sell an asset or paid to transfer a liability (i.e., the "exit price") in an orderly transaction between market participants at the measurement date.

In determining fair value, the Company uses various valuation approaches. In accordance with GAAP, a fair value hierarchy for inputs is used in measuring fair value that maximizes the use of observable inputs and minimizes the use of unobservable inputs by requiring that the most observable inputs be used when available. Observable inputs are those that market participants would use in pricing the asset or liability based on market data obtained from sources independent of the Company. Unobservable inputs reflect the Company's assumptions about the inputs market participants would use in pricing the asset or liability developed based on the best information available in the circumstances.

The fair value hierarchy is categorized into three levels based on the inputs as follows:

Level 1 – Inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities the Company has the ability to access.

Level 2 - Valuations based on quoted prices in markets that are not active or for which all significant inputs are observable, either directly or indirectly.

Level 3 - Valuations based on inputs that are unobservable and significant to the overall fair value measurement.

The availability of valuation techniques and observable inputs can vary from security to security and is affected by a wide variety of factors including, the type of security, whether the security is new and not yet established in the marketplace, and other characteristics particular to the transaction. To the extent that valuation is based on models or inputs that are less observable or unobservable in the market, the determination of fair value requires more judgment. Those estimated values do not necessarily represent the amounts that may be ultimately realized due to the occurrence of future circumstances that cannot be reasonably determined.

Because of the inherent uncertainty of valuation, those estimated values may be materially higher or lower than the values that would have been used had a ready market for the securities existed. Accordingly, the degree of judgment exercised by the Company in determining fair value is greatest for securities categorized in Level 3. In certain cases, the inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such cases, for disclosure purposes, the level in the fair value hierarchy within which the fair value measurement in its entirety falls is determined based on the lowest level input that is significant to the fair value measurement.

ARCA CAPITAL INVESTMENTS, INC.

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2016

2. Summary of Significant Accounting Policies (continued)

Valuation of Investments in Securities at Fair Value – Definition and Hierarchy (continued)

Fair value is a market-based measure considered from the perspective of a market participant rather than an entity-specific measure. Therefore, even when market assumptions are not readily available, the Company's own assumptions are set to reflect those that market participants would use in pricing the asset or liability at the measurement date. The Company uses prices and inputs that are current as of the measurement date, including periods of market dislocation. In periods of market dislocation, the observability of prices and inputs may be reduced for many securities. This condition could cause a security to be reclassified to a lower level within the fair value hierarchy.

Fair values of financial instruments are estimated using relevant market information and other assumptions. Fair value estimates involve uncertainties and matters of significant judgment regarding interest rates, credit risk, prepayments, and other factors, especially in the absence of broad markets for particular instruments. Changes in assumptions or in market conditions could significantly affect the estimates. The carrying amount of all financial assets and liabilities approximates fair value.

As of December 31, 2016, the Company does not have any financial assets or liabilities that are measured at fair value on a recurring or non-recurring basis.

Loss Contingencies

Loss Contingencies, including claims and legal actions arising in the ordinary course of business are recorded as liabilities when the likelihood of loss is probable and an amount or range of loss can be reasonably estimated. Management does not believe there are presently such matters that will have a material effect on the financial statements.

Income Taxes

For income tax purposes, the Company maintains its accounts using the accrual method of accounting. Deferred tax assets and liabilities are recognized for future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled.

Financial Instruments with Off-Balance Sheet Risk

The Company, under its correspondent agreements with its clearing brokers, has agreed to indemnify the clearing brokers from damages or losses resulting from customer transactions. The Company is therefore exposed to off-balance sheet risk of loss in the event that customers are unable to fulfill contractual obligations including their obligations under margin accounts. The Company believes that is unlikely it will have to make a material payment under this indemnity, and accordingly, has not recorded any contingent liability in its financial statements.

ARCA CAPITAL INVESTMENTS, INC.

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2016

3. Income Taxes

The Company follows an asset and liability approach to financial accounting and reporting for income taxes. Deferred income tax assets and liabilities are computed for difference between the financial statement and tax bases of assets and liabilities that will result in taxable or deductible amounts in the future based on the enacted tax laws and rates applicable to the periods in which the differences are expected to affect taxable income. Valuation allowances are established, when necessary, to reduce the deferred income tax assets to the amount expected to be realized.

The determination of the Company's provision for income taxes requires significant judgment, the use of estimates, and the interpretation and application of complex tax laws. Significant judgment is required in assessing the timing and amounts of deductible and taxable items and the probability of sustaining uncertain tax positions. The benefits of uncertain tax positions are recorded in the Company's financial statements only after determining a more-likely-than-not probability that the uncertain tax positions will withstand challenge, if any, from tax authorities. When facts and circumstances change, the Company reassesses these probabilities and records any changes in the financial statements as appropriate.

In accordance with GAAP, the Company is required to determine whether a tax position of the Company is more likely than not to be sustained upon examination by the applicable taxing authority, including resolution of any related appeals or litigation processes, based on the technical merits of the position. The tax benefit to be recognized is measured as the largest amount of benefit that is greater than fifty percent likely of being realized upon ultimate settlement. De-recognition of a tax benefit previously recognized could result in the Company recording a tax liability that would reduce stockholder's equity. This policy also provides guidance on thresholds, measurement, de-recognition, classification, interest and penalties, accounting in interim periods, disclosure, and transition that is intended to provide better financial statement comparability among different entities. Management's conclusions regarding this policy may be subject to review and adjustment at a later date based on factors including, but not limited to, on-going analyses of and changes to tax laws, regulations and interpretations thereof.

The Company files its income tax returns under U.S. Federal and State jurisdictions. These returns are subject to income tax examinations by major taxing authorities generally for three years after the returns are filed. Therefore the current year and three preceding years remain subject to examination as of December 31, 2016.

As of December 31, 2016, the Company has a Federal net operating loss carry-forward of approximately \$5,140,000 and a Florida net operating loss carry-forward of \$8,435,000 which will expire in years through 2031.

Temporary differences primarily related to the Company's Federal and State net operating loss carry-forwards give rise to a net deferred tax asset of \$ 0, net of a valuation allowance of approximately \$1,748,000. This valuation allowance increased by \$ 208,000 during the year ended December 31, 2016.

ARCA CAPITAL INVESTMENTS, INC.

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2016

ARCA CAPITAL INVESTMENTS, INC.

NOTES TO FINANCIAL STATEMENTS

4. Clearing Arrangements

The Company has clearing agreements with clearing brokers to provide execution and clearing services on behalf of its customers on a fully disclosed basis. All customer records and accounts are maintained by the clearing brokers. The Company maintains a deposit with its one of its clearing brokers in the amount of approximately \$500,000 which is included in the "Deposits with Clearing Brokers" line of the statement of financial condition. In addition, the Company must maintain an additional \$500,000 with the clearing broker to facilitate trading away from the clearing firm with other U.S. broker dealers. A termination fee may apply if the Company were to terminate its relationship with the current clearing brokers. No other deposits are required. The Company does not carry accounts for customers or perform custodial functions related to customers' securities. The Company introduces all of its customer transactions, which are not reflected in these statements to its primary clearing brokers, which maintain the customers' accounts and clears such transactions.

5. Property and equipment, net

Property and equipment, net, consisted of the following at December 31, 2016:

Furniture and fixtures	\$ 170,217
Office equipment	<u>109,405</u>
	279,622
Less: accumulated depreciation	<u>(169,790)</u>
	<u>\$ 109,832</u>

Depreciation expense for the year ended December 31, 2016 was \$49,877.

6. Net Capital Requirement

The Company is a member of FINRA and is subject to the SEC Uniform Net Capital Rule 15c3-1. This Rule requires the maintenance of minimum net capital and requires that the ratio of aggregate indebtedness to net capital, both as defined, shall not exceed 15 to 1 and that equity capital may not be withdrawn or dividends paid if the resulting net capital ratio would exceed 10 to 1. At December 31, 2016, the Company's net capital was \$762,772 which was \$662,772 in excess of its minimum requirement of \$100,000. The Company's ratio of aggregate indebtedness to net capital was 0.55 to 1 as of December 31, 2016.

7. Exemption from Rule 15c3-3

The Company is exempt from the SEC Rule 15c3-3 pursuant to the exemptive provision under sub-paragraph (k) (2) (ii) and, therefore, is not required to maintain a "Special Reserve Bank Account for the Exclusive Benefit of Customers."

8. Commitments

Legal Claims

In the ordinary course of business, incidental to the Company's operations, the Company retains outside counsel to address claims with which the Company is involved. As of December 31, 2016, the Company was not aware of any legal proceedings, which management has determined to be material to its business operations.

9. Lease Commitments

In July, 2013, the Company entered into a lease for office space which expires in March 2025.

Minimum rentals under this lease is as follows:

Year ended December 31

2017	\$	207,813
2018		215,087
2019		222,615
2020		230,406
2021		238,471
2022 and after		<u>596,610</u>
	\$	<u>1,711,002</u>

10. Concentration of Credit Risk

The Company maintains its bank accounts at two (2) different financial institutions. The accounts are insured by the Federal Deposit Insurance Corporation up to \$250,000 at each institution. As of December 31, 2016, the Company did not have any uninsured funds at either institution.

11. Date of Management's Review

The Company has evaluated subsequent events through February 2, 2017, which is the date the financial statements were available to be issued. There have been no subsequent events as of the date the financial statements were available to be issued which need to be disclosed in the accompanying financial statements.

12. Related Party Transactions

During the year ended December 31, 2016, the Company generated approximately \$388,000 in trading income and commissions with related parties. All transactions with the related parties were on terms equivalent to those that prevail at arm's length transactions reflected at the prevailing market prices on the days in which the transactions were executed.

ARCA CAPITAL INVESTMENTS, INC.

SUPPLEMENTARY INFORMATION

FOR THE YEAR ENDED DECEMBER 31, 2016

ARCA CAPITAL INVESTMENTS, INC.

SCHEDULE I

COMPUTATION OF NET CAPITAL UNDER RULE 15c3-1 OF THE SECURITIES AND EXCHANGE COMMISSION

December 31, 2016

Net capital	
Total stockholder's equity	\$ 1,087,451
Less: non-allowable assets	
Other assets	43,946
Property and equipment, net	109,832
Security deposits	94,320
Non-allowable receivables	75,000
	<u>323,098</u>
Net capital before haircuts	764,353
Less:	
Securities haircuts	<u>1,581</u>
Net capital	<u>\$ 762,772</u>
Aggregate indebtedness	<u>\$ 420,388</u>
Computed minimum net capital required (6-2/3% of aggregate indebtedness)	<u>\$ 28,026</u>
Minimum net capital required (under SEC Rule 15c3-1)	<u>\$ 100,000</u>
Excess net capital	<u>\$ 662,772</u>
Net capital less greater of 10% of aggregate indebtedness or 120% of minimum net capital required	<u>\$ 642,772</u>
Percentage of aggregate indebtedness to net capital	<u>55.11%</u>

There are no significant differences in the computation of adjusted net capital between the unaudited broker-dealer focus report and the audited annual report.

ARCA CAPITAL INVESTMENTS, INC.

SCHEDULE II

STATEMENT ON EXEMPTION FROM THE COMPUTATION FOR DETERMINATION OF RESERVE REQUIREMENTS UNDER RULE 15C3-3 OF THE SECURITIES AND EXCHANGE COMMISSION AS OF DECEMBER 31, 2016

The Company claims an exemption from Rule 15c3-3 under Section (k)(2)(ii) of the Rule.

The Company was in compliance with the conditions of the exemption for the year ended December 31, 2016.

ARCA CAPITAL INVESTMENTS, INC.

SCHEDULE III

STATEMENT ON EXEMPTION RELATING TO POSSESSION OR CONTROL REQUIREMENTS UNDER RULE 15c3-3 OF THE SECURITIES AND EXCHANGE COMMISSION

AS OF DECEMBER 31, 2016

The Company claims an exemption from Rule 15c3-3 under Section (k)(2)(ii) in that all customer transactions are cleared through other broker-dealers on a fully disclosed basis.

The Company was in compliance with the conditions of the exemption for the year ended December 31, 2016.

**KABAT · SCHERTZER
DE LA TORRE · TARABOULOS**

&

C O M P A N Y

CERTIFIED PUBLIC ACCOUNTANTS & CONSULTANTS

**REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM ON APPLYING AGREED -
UPON PROCEDURES RELATED TO AN ENTITY'S SIPC ASSESSMENT RECONCILIATION**

To the Board of Directors and Stockholders of ARCA Capital Investments, Inc.

In accordance with Rule 17a-5(e)(4) under the Securities Exchange Act of 1934, we have performed the procedures enumerated below with respect to the accompanying Schedule of Assessment and Payments (Form SIPC-7) to the Securities Investor Protection Corporation (SIPC) for the year ended December 31, 2016, which were agreed to by ARCA Capital Investments, Inc., and the Securities and Exchange Commission, Financial Industry Regulatory Authority, Inc. and SIPC, solely to assist you and other specified parties in evaluating ARCA Capital Investments, Inc.'s compliance with the applicable instructions of form SIPC-7. ARCA Capital Investments, Inc.'s management is responsible for ARCA Capital Investments, Inc.'s compliance with those requirements. This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of those parties specified in this report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose. The procedures we performed and our findings are as follows:

- 1) Compared the listed assessment payments in Form SIPC-7 with respective cash disbursement records entries in the Company's cash disbursement journals and copies of the checks issued in payment, noting no differences;
- 2) Compared the amounts reported on the audited Form X-17A-5 for the year ended December 31, 2016, as applicable, with the amounts reported in Form SIPC-7 for the year ended December 31, 2016, noting no differences;
- 3) Compared any adjustments reported in Form SIPC-7 with supporting schedules and working papers, including interim profit and loss statements and interim unaudited Company prepared focus reports, noting no differences;
- 4) Proved the arithmetical accuracy of the calculations reflected in Form SIPC-7 and the related schedules and working papers, including interim profit and loss statements, interim unaudited Company prepared focus reports, Company prepared general ledgers and working trial balances.

**REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM ON APPLYING AGREED -
UPON PROCEDURES RELATED TO AN ENTITY'S SIPC ASSESSMENT RECONCILIATION**

We were not engaged to and did not conduct an examination, the objective of which would be the expression of an opinion on compliance. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and use of specified parties listed above and is not intended to be and should not be used by anyone other than those specified parties.

KABAT, SCHERTZER, DE LA TORRE, TARABOULOS & Co.

Miami, Florida

February 2, 2017

SIPC-7

(33-REV 7/10)

SECURITIES INVESTOR PROTECTION CORPORATION

P.O. Box 92185 Washington, D.C. 20090-2185

202-371-8300

General Assessment Reconciliation**SIPC-7**

(33-REV 7/10)

For the fiscal year ended 12/31/2016

(Read carefully the instructions in your Working Copy before completing this Form)

TO BE FILED BY ALL SIPC MEMBERS WITH FISCAL YEAR ENDINGS

1. Name of Member, address, Designated Examining Authority, 1934 Act registration no. and month in which fiscal year ends for purposes of the audit requirement of SEC Rule 17a-5:

53110 FINRA DEC
 ARCA CAPITAL INVESTMENTS, INC.
 WELLS FARGO CENTER
 333 AVENUE OF THE AMERICAS, STE 2530
 MIAMI, FL 33131-2179

Note: If any of the information shown on the mailing label requires correction, please e-mail any corrections to form@sipc.org and so indicate on the form filed.

Name and telephone number of person to contact respecting this form.

Valerie Pigatt (305) 416-6302

2. A. General Assessment (item 2e from page 2) \$5,615
- B. Less payment made with SIPC-6 filed (exclude interest) (2,285)
7/26/2016
 Date Paid
- C. Less prior overpayment applied (0)
- D. Assessment balance due or (overpayment) 3330
- E. Interest computed on late payment (see instruction E) for 178 days at 20% per annum 3
- F. Total assessment balance and interest due (or overpayment carried forward) \$ 3,333
- G. PAYMENT: ☒ the box ☒ Funds Wired ☐
 Check mailed to P.O. Box 53110
 Total (must be same as F above) \$ 3,333
- H. Overpayment carried forward \$()

3. Subsidiaries (S) and predecessors (P) included in this form (give name and 1934 Act registration number):

The SIPC member submitting this form and the person by whom it is executed represent thereby that all information contained herein is true, correct and complete.

ARCA CAPITAL INVESTMENTS, INC.

(Name of Corporation, Partnership or other organization)

Valerie Pigatt
 (Authorized Signature)

Dated the 25 day of JANUARY, 20 17

FINOP

(Title)

This form and the assessment payment is due 60 days after the end of the fiscal year. Retain the Working Copy of this form for a period of not less than 6 years, the latest 2 years in an easily accessible place.

SIPC REVIEWER

Dates: Postmarked Received Reviewed

Calculations Documentation

Forward Copy _____

Exceptions:

Disposition of exceptions:

DETERMINATION OF "SIPC NET OPERATING REVENUES" AND GENERAL ASSESSMENT

Amounts for the fiscal period
beginning 1/1/2016
and ending 12/31/2016

Item No.

2a. Total revenue (FOCUS Line 12/Part IIA Line 9, Code 4030)

Eliminate cents
\$2,447,363

2b. Additions:

- (1) Total revenues from the securities business of subsidiaries (except foreign subsidiaries) and predecessors not included above.
- (2) Net loss from principal transactions in securities in trading accounts.
- (3) Net loss from principal transactions in commodities in trading accounts.
- (4) Interest and dividend expense deducted in determining item 2a.
- (5) Net loss from management of or participation in the underwriting or distribution of securities.
- (6) Expenses other than advertising, printing, registration fees and legal fees deducted in determining net profit from management of or participation in underwriting or distribution of securities.
- (7) Net loss from securities in investment accounts.

Total additions

2c. Deductions:

- (1) Revenues from the distribution of shares of a registered open end investment company or unit investment trust; from the sale of variable annuities; from the business of insurance; from investment advisory services rendered to registered investment companies or insurance company separate accounts; and from transactions in security futures products.
- (2) Revenues from commodity transactions.
- (3) Commissions, floor brokerage and clearance paid to other SIPC members in connection with securities transactions.
- (4) Reimbursements for postage in connection with proxy solicitation.
- (5) Net gain from securities in investment accounts.
- (6) 100% of commissions and markups earned from transactions in (i) certificates of deposit and (ii) Treasury bills, bankers acceptances or commercial paper that mature nine months or less from issuance date.
- (7) Direct expenses of printing advertising and legal fees incurred in connection with other revenue related to the securities business (revenue defined by Section 16(9)(L) of the Act).
- (8) Other revenue not related either directly or indirectly to the securities business.
(See Instruction C):

SUBLEASE INCOME ON OFFICE SPACE

(Deductions in excess of \$100,000 require documentation)

22

178,961

22,493

- (9) (i) Total interest and dividend expense (FOCUS Line 22/PART IIA Line 13, Code 4075 plus line 2b(4). above) but not in excess of total interest and dividend income.

\$ 58

- (ii) 40% of margin interest earned on customers securities accounts (40% of FOCUS line 5, Code 3960).

\$

Enter the greater of line (i) or (ii)

Total deductions

58

201,535

2d. SIPC Net Operating Revenues

\$ 2,245,828

2e. General Assessment @ .0025

\$ 5,615

(to page 1, line 2.A.)

KABAT · SCHERTZER
DE LA TORRE · TARABOULOS
— & —
C O M P A N Y

CERTIFIED PUBLIC ACCOUNTANTS & CONSULTANTS

**REVIEW REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM ON
EXEMPTION PROVISION**

We have reviewed management's statements, included in the accompanying exemption report in which ARCA Capital Investments, Inc. identified the following provisions of 17 § C.F.R. 15c3-3(k) under which ARCA Capital Investments, Inc. claimed an exemption from 17 § C.F.R. 240. 15c3-3 (2) (ii) and ARCA Capital Investments, Inc. stated that ARCA Capital Investments, Inc. met the identified exemption provision throughout the most recent fiscal year ended December 31, 2016 without exception. ARCA Capital Investments, Inc.'s management is responsible for compliance with the exemption provisions and its statements.

Our review was conducted in accordance with the standards of the Public Company Accounting Oversight Board in the United States of America and, accordingly, included inquiries and other required procedures to obtain evidence about ARCA Capital Investments, Inc.'s compliance with the exemption provisions. A review is substantially less in scope than an examination, the objective of which is the expression of an opinion on management's statements. Accordingly, we do not express such an opinion.

Based on our review, we are not aware of any material modifications that should be made to management's statements referred to above for them to be fairly stated, in all material respects, based on the provisions set forth in paragraph (k) (2) (ii) of Rule 15c3-3 under the Securities Exchange Act of 1934.

KABAT, SCHERTZER, DE LA TORRE, TARABOULOS & Co.

Miami, Florida.

February 2, 2017

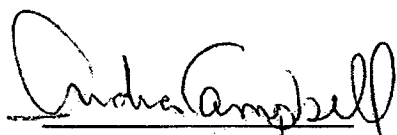
ARCA Capital Investments, Inc.
Exemption Report Pursuant to SEC Rule 17a-5
For the Year Ended December 31, 2016

ARCA Capital Investments, Inc. is a registered Broker-Dealer subject to Rule 17a-5 promulgated by the Securities and Exchange Commission. This Exemption Report was prepared as required by 17 C.F.R 240 17a-5(d)(1) and (4). To the best of the Company's knowledge and belief, the Company states the following:

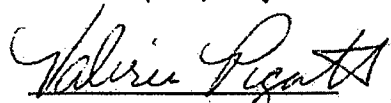
ARCA Capital Investments, Inc. operates pursuant to paragraph (k)(2)(ii) of SEC Rule 15c3-3 under which the Company claims an exemption from SEC Rule 15c3-3.

The Company has met the identified exemption provision for the year ended December 31, 2016, without exception.

We affirm to the best of our knowledge and belief, this Exemption Report is true and correct.



Indra Campbell, Chief Executive Officer



Valerie Pigatt, Financial Operations Principal